

October 17, 2003

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Mr. Thomas Clark
Mayor, Town of Rico
2 North Commercial Street
Rico, Colorado 81332

Re: St. Louis Tunnel Discharge

Dear Mr. Clark:

We have received your September 17, 2003 letter regarding the Town of Rico's continued support for a cooperative approach with Atlantic Richfield and Rico Renaissance to address the St. Louis Tunnel discharge. I offer this written response to reaffirm Atlantic Richfield's commitment to responsible clean-up of the Tunnel discharge and our support for redevelopment efforts in Rico. Below I have outlined our actions over the last 2-3 years and future actions we are taking toward these efforts.

First, over the last 2 to 3 years, Atlantic Richfield has taken the lead to pulling together various interested parties to discuss and coordinate the reclamation and redevelopment concepts and actions being considered in the North Rico/St. Louis Tunnel area. This has included the following actions (with associated documents which have been provided to Rico and the agencies):

1. Water Quality Monitoring – We initiated new water quality monitoring of the St. Louis Discharge and the Dolores River and Silver Creek started in 1999 which will continue into the future. (1999 & 2000 Reports)
2. Technical Water Treatment Plan – Initiated and completed technical studies and field work to gather the data required to prepare a plan for the active treatment of the St. Louis tunnel discharge. (See below for further information on the Plan.)
3. Water Quality Assessment (WQA) – Atlantic Richfield has funded the State of Colorado to perform the ongoing WQA for the Dolores river to assess current water quality for use in drafting a new water quality permit for the St. Louis discharge.
4. Conceptual Reclamation/Redevelopment Plans – Development of preliminary land use/redevelopment plans for the North Rico Light Industrial Area (North Rico Reclamation/Redevelopment Conceptual Plans drawings); and
5. State Brownfields Assessment – Provided input to the planning of the State's Brownfields Assessment of the North Rico area.



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Planned Actions for the near future include the following (with reference to documents which have or will be provided to Rico and agency representatives).

1. Memorandum of Understanding (Review Draft provided to Mr. Heil and Rico Renaissance on September 30, 2003) – MOU articulates the mutual support of the Town, Atlantic Richfield and Rico Renaissance for a cooperative approach to integrate reclamation/redevelopment of the North Rico area with St. Louis Tunnel water treatment and solid waste management.
2. Non-Profit Documents (Review Drafts provided to Mr. Heil and Rico Renaissance on October 14, 2003) – Draft Articles of Incorporation and By-Laws for North Rico, Inc. have been distributed to the Town and Rico Renaissance. Upon agreement among the three Initial Members (the Town, Atlantic Richfield and Rico Renaissance), these documents will set up and guide the Non-Profit entity to manage water treatment, reclamation and redevelopment efforts at the North Rico area.
3. Water Sampling and Analysis Plan (SAP) (First draft provided in July 2003, Final Draft provided in October) – The SAP will be used to routinely monitor the St. Louis Tunnel discharge and receiving waters in the Rico area.
4. Technical Water Treatment Report (in development for submittal in the near future). – This Report will synthesize the technical investigations conducted to date and set forth a long-term active treatment and solids management plan for the St. Louis Tunnel water discharge. The Report will be provided to the agency and Rico representatives for their review and concurrence.

We look forward to working with Ashton Harrison and Eric Heil as Rico's representatives, to ensure that the Town Board is informed of progress being made, and continues to support the cooperative approach that integrates Rico's redevelopment goals with future management of the St. Louis Tunnel discharge.

Sincerely,



Chuck Stilwell, P.E.
Environmental Manager

cc: Ramone Escure/Rico Renaissance
Eric Heil/Rico Attorney
Ashton Harrison/Rico
Carol Russell/EPA
Mark Walker/State of Colorado
Robin Bullock/Atlantic Richfield
Dave McCarthy/Atlantic Richfield
Jean Martin/Atlantic Richfield
Bill Duffy/DG&S
Pat Lee/EMC